

# *Into Africa*

## The continent's cities of opportunity

*Africa Business  
Group*

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# *Content*

*Megatrends and Africa*

*Why African cities?*

*What economic opportunities do cities bring?*

*Into Africa: The continent's cities of opportunity*

*Where to invest?*



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# *Megatrends and Africa*

# Africa is a continent where the megatrends are colliding together to catalyse a rapid and widespread transformation of the business environment



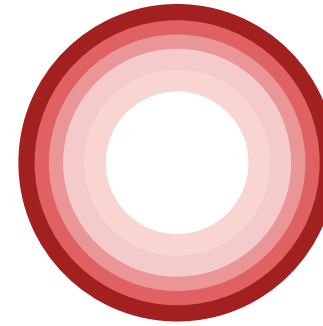
Demographic and social change



Shift in global economic power



Rapid urbanisation



Climate change and resource scarcity



Technological breakthroughs



**50%** of the world's population growth between now and 2050 is expected to come from Africa'

Africa has the fastest growing middle class population in the world

**313m**

people belong to the middle class in Africa (2010)



Of the population of sub-Saharan Africa live in a water scarce environment

**40%**



**43%**



Mobile broadband growth rate 2013-14

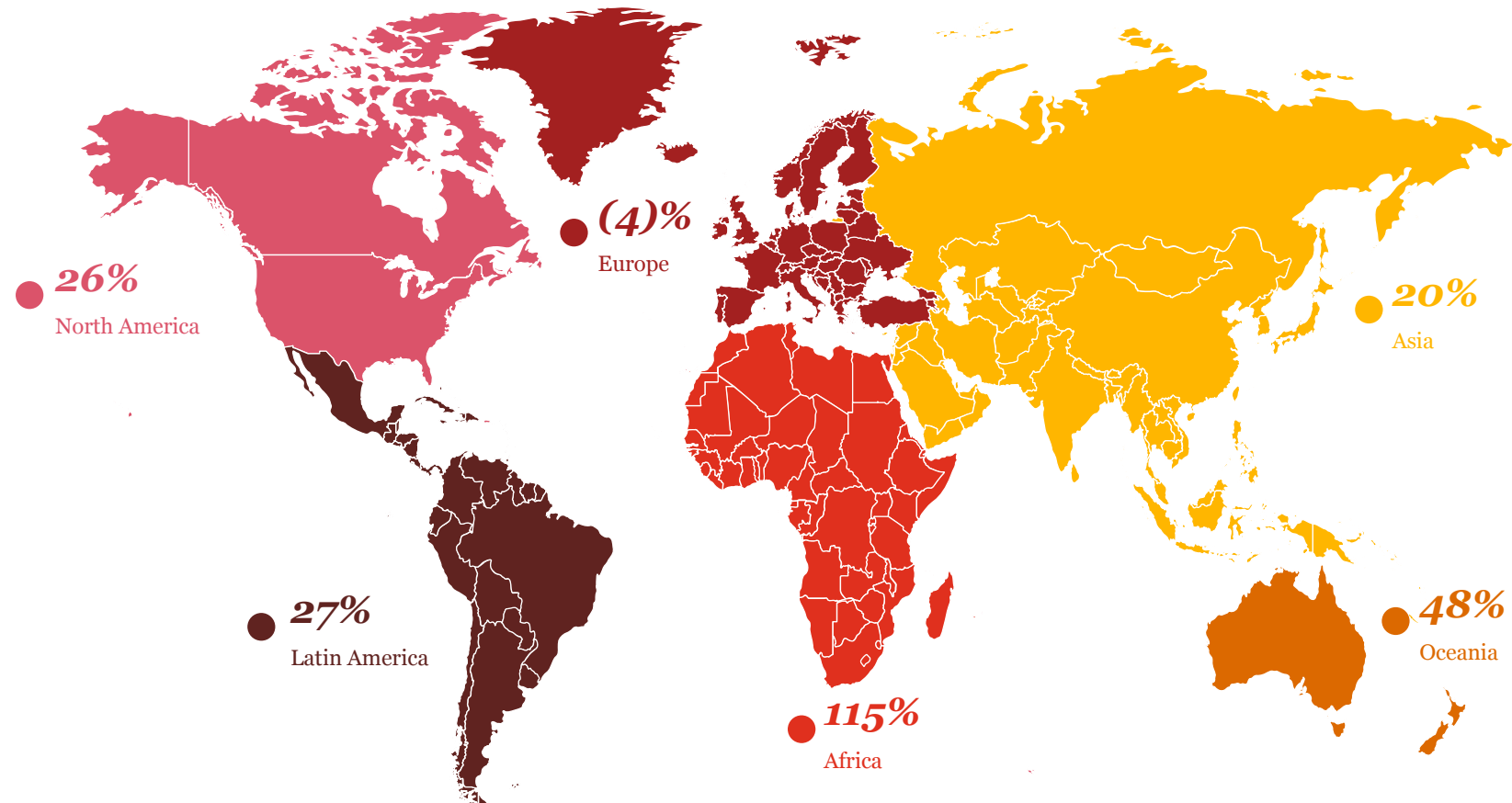
Africa has the highest mobile broadband growth rate across the world



The number of African megacities by 2025

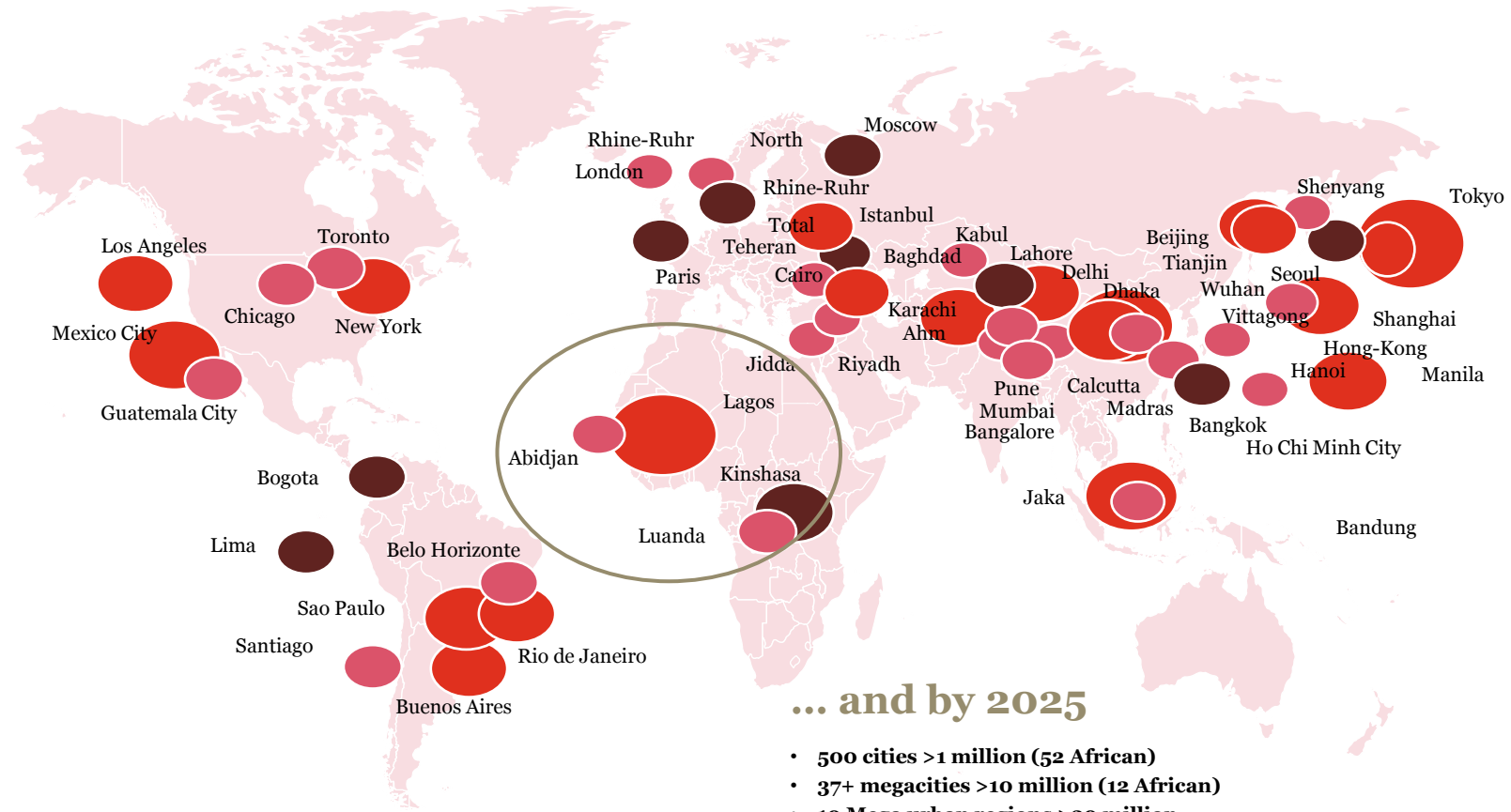
# Global demographic shift

*The pace of change around the world will vary significantly*  
Population change 2013-2050



# Africa will house some of the largest cities in the world, including Lagos, Kinshasa and Abidjan

Biggest urban population concentrations in 2015



Source: UN Department of Economic and Social Affairs

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# *Why African cities?*

# *Why are African cities important?*

*Concentration of economic activity*

*Drivers of Africa's growth story*

*Centres of Communication*

*At the forefront of social trends*





# ***Growth of cities***

## Future of Africa?



# ***Growth of cities***

## Future of Africa?



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# *What economic opportunities do cities bring?*

# *Economic opportunities in cities driven by demands of the emerging middle class*



*Consumer*



*Technology*



*Tourism*



*Financial Services*



*Infrastructure*

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# *Into Africa*

## The continent's Cities of Opportunity

# Into Africa

## The continent's cities of opportunity

### Regional index

#### North Africa

Cairo – 1  
Tunis – 2  
Casablanca – 3  
Algiers – 5

#### West Africa

Accra – 6  
Lagos – 7  
Dakar – 11  
Abidjan – 11

#### Central Africa

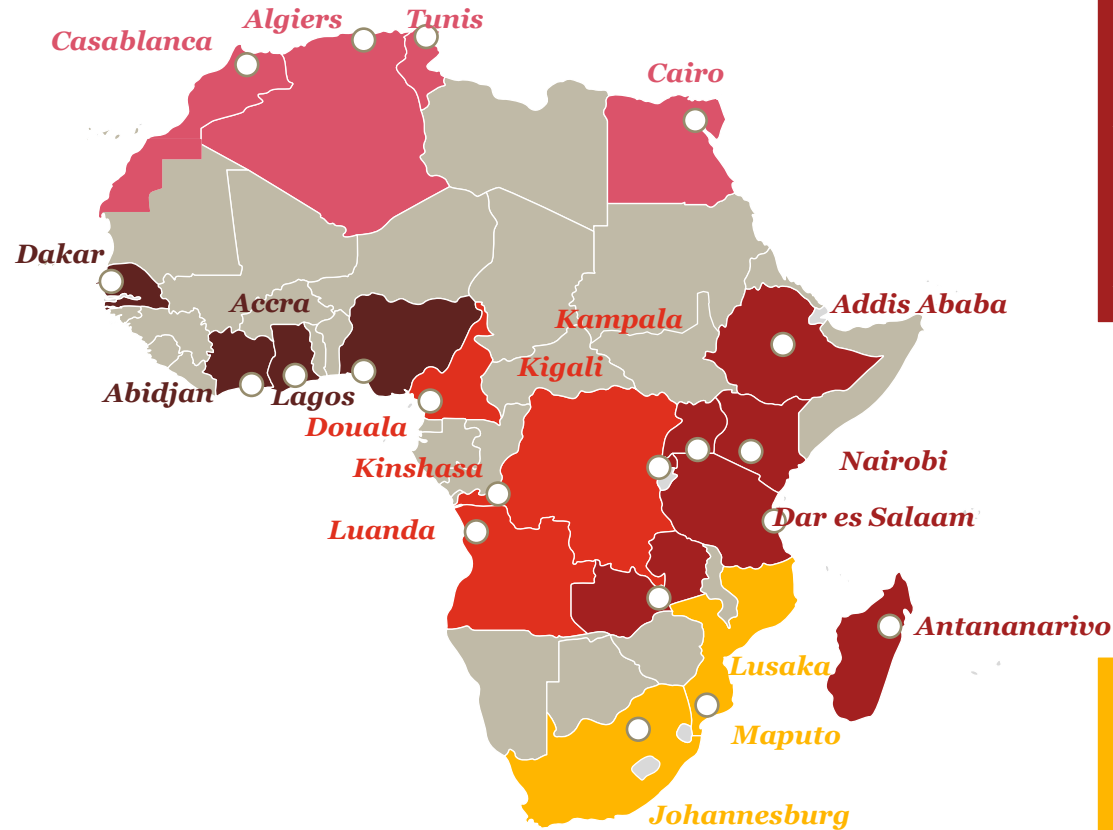
Douala – 16  
Kinshasa – 19  
Luanda – 20

#### East Africa

Nairobi – 7  
Addis Ababa – 9  
Kampala – 10  
Kigali – 13  
Dar es Salaam – 15  
Antananarivo – 17

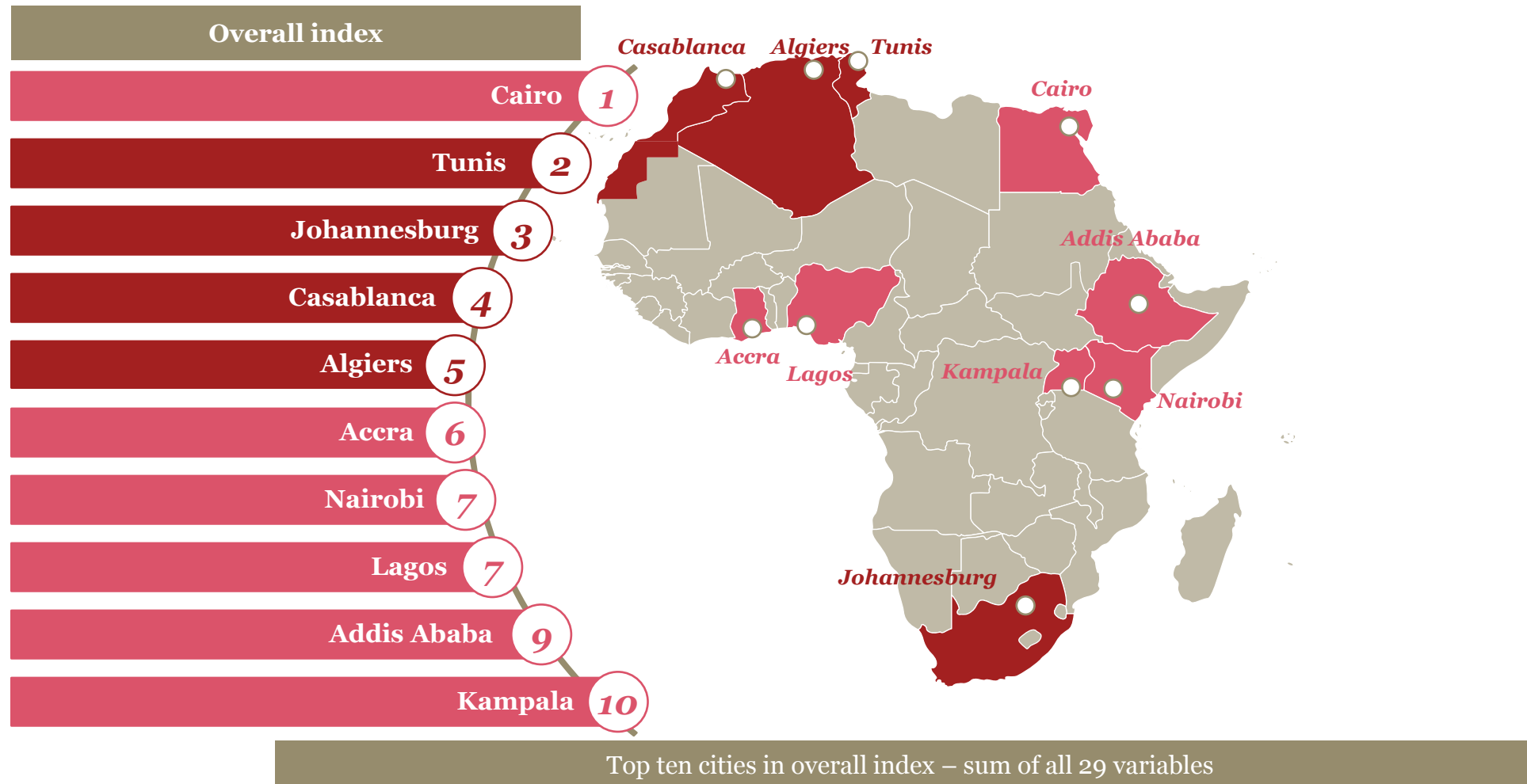
#### Southern Africa

Johannesburg – 3  
Lusaka – 14  
Maputo – 18



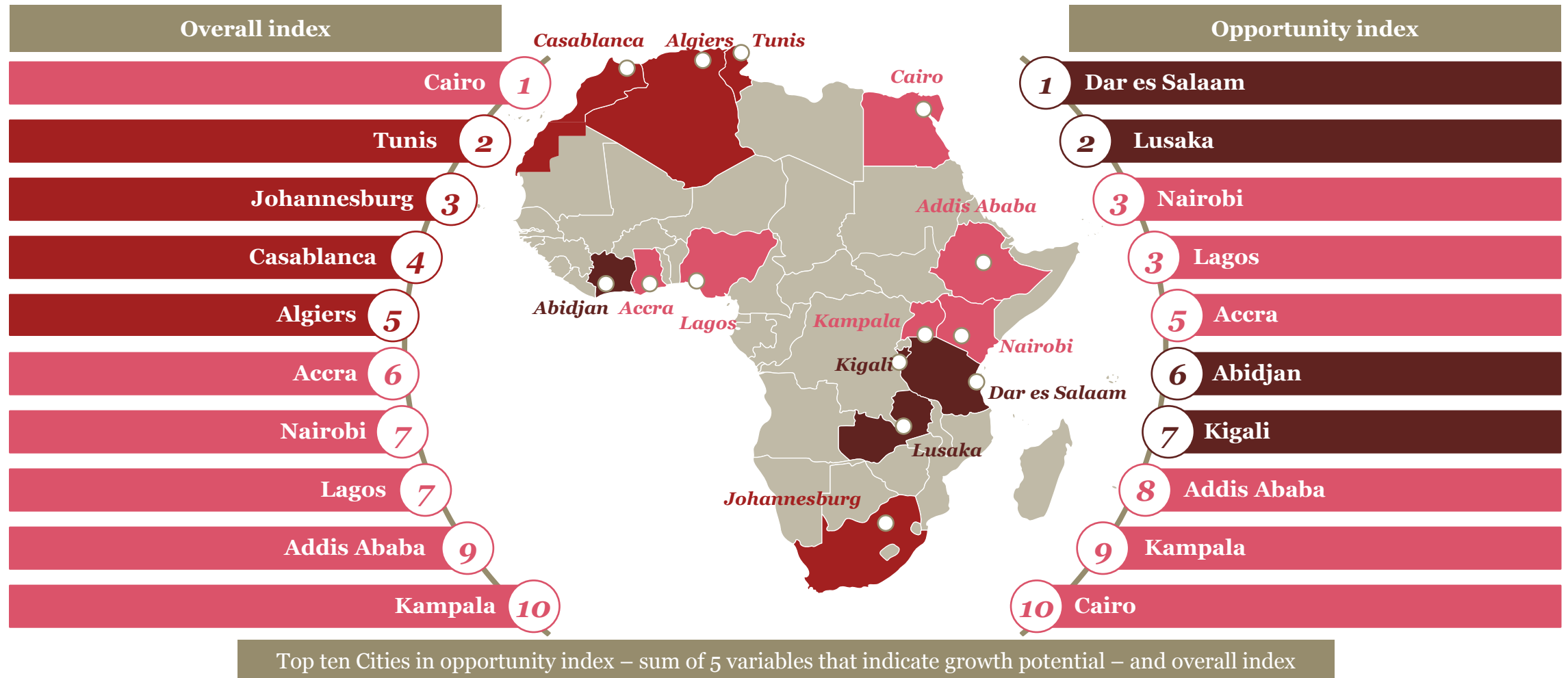
# Into Africa

## The continent's *Cities of Opportunity*



# Into Africa

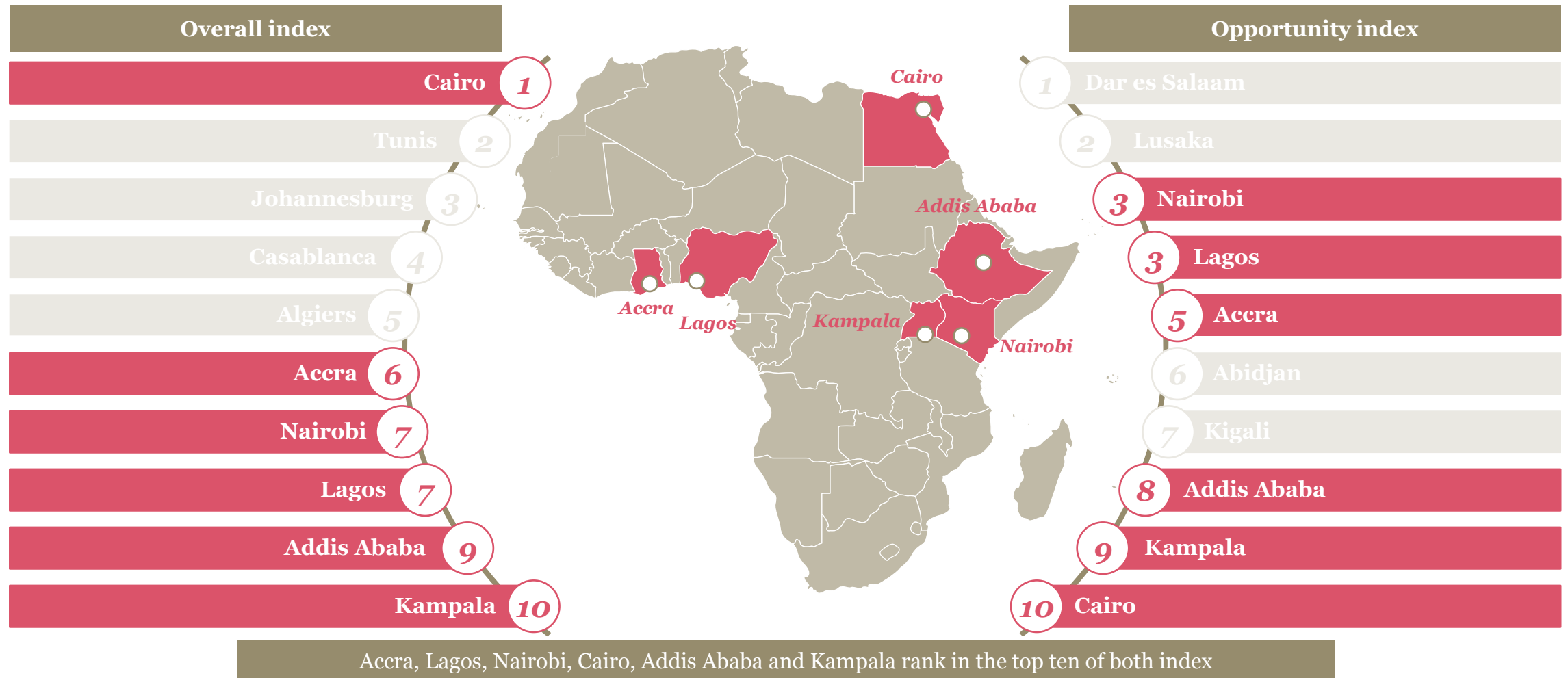
## The continent's *Cities of Opportunity*





# Into Africa

## The continent's *Cities of Opportunity*

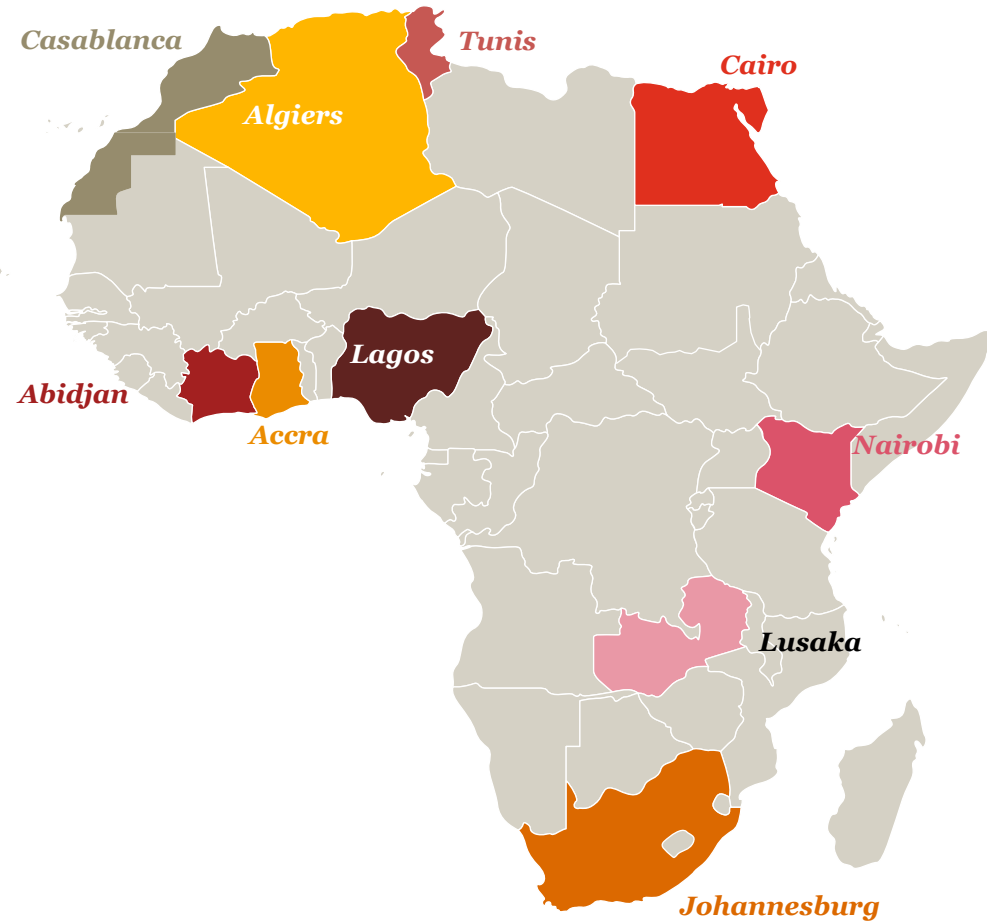


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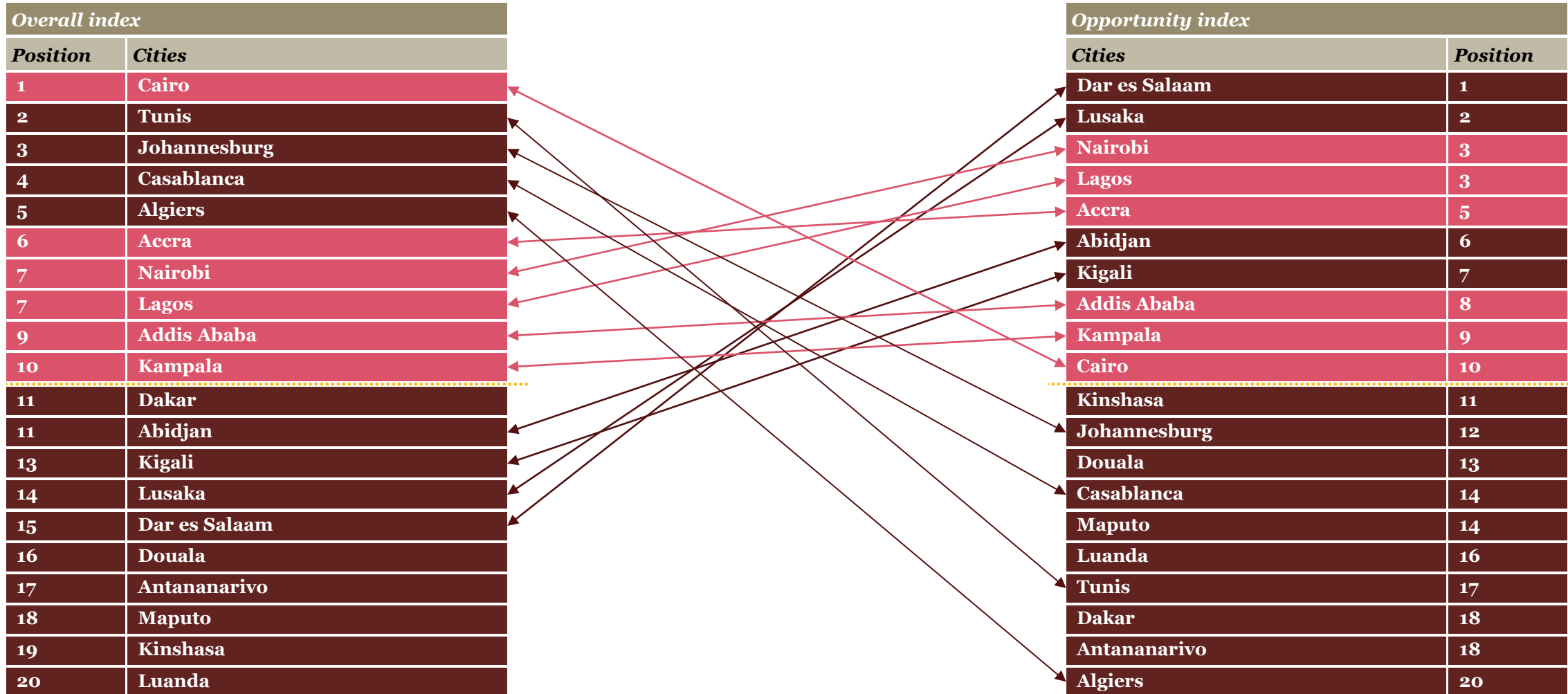
# *Where to invest?*

# Current investor interest

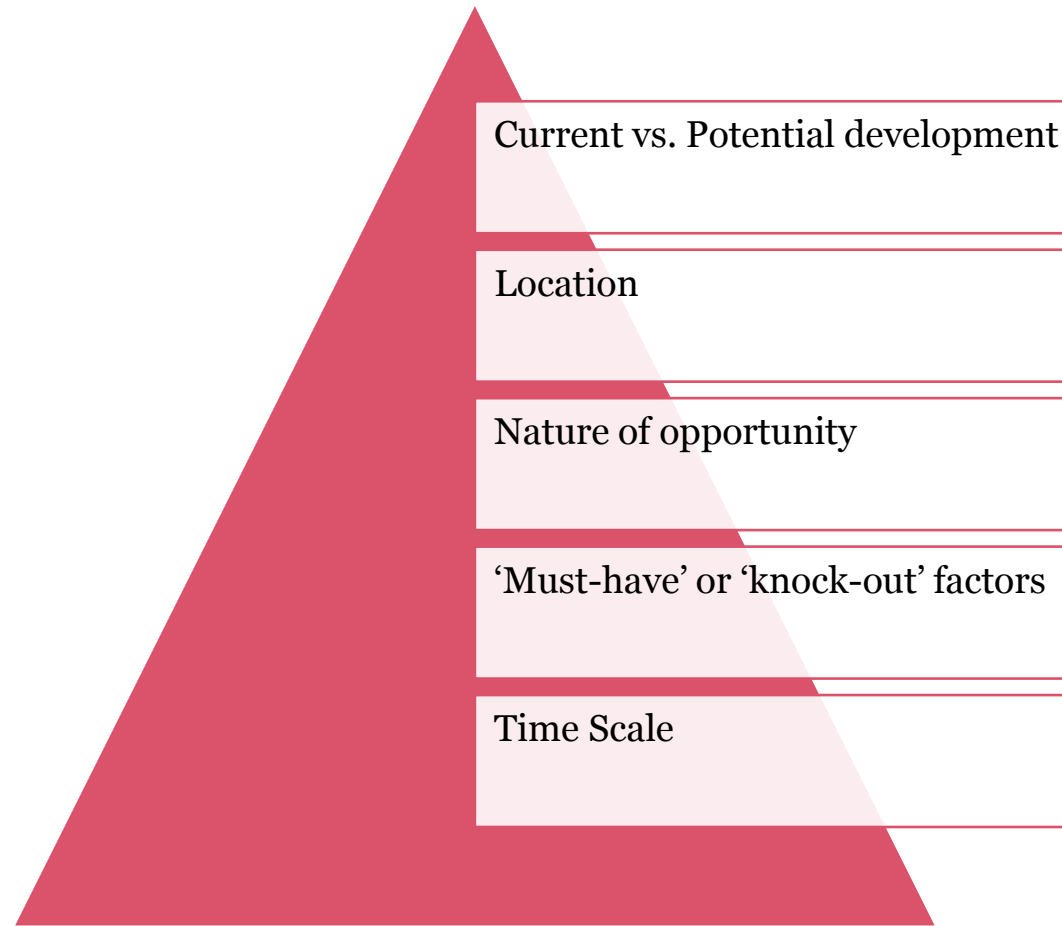
## Top ten cities attracting FDI




# Current state of development and growth potential



# *Key considerations when thinking of investing in Africa*



## *Key themes from the report*



African cities need to be looked at through a different lens. Potential to grow should be considered along current level of development. The available data and analysis has limitations and only tells part of the story. There is no substitute for going to have a look

Access to markets - middle class consumers in the city and the country/region to which it is a gateway - is more of a long term determinant of success than natural resources

Infrastructure and human capital take time to develop but often critical to success. The upcoming fast developing opportunity cities face significant human capital and infrastructure challenges which limit their economics

The role of the public sector policy makers (and related development of institutions) in guiding a city is important to the private sector. The building blocks are infrastructure, human capital but also security. Where this is in place, culture and society starts to flourish

# *Appendix*

# Overall summary table

## Sum of all 29 variables

Rank	Summary table	Score	Infrastructure	Human capital	Economics	Society and demographics
20	Cairo	438	137	80	114	107
19	Tunis	417	134	93	119	71
18	Johannesburg	377	107	81	115	74
17	Casablanca	364	104	72	123	65
16	Algiers	336	95	77	77	87
15	Accra	332	69	56	109	98
14	Nairobi	321	82	46	95	98
14	Lagos	321	77	43	109	92
12	Addis Ababa	312	112	39	68	93
11	Kampala	308	68	59	73	108
10	Dakar	299	98	37	78	86
10	Abidjan	299	80	38	95	86
8	Kigali	294	97	62	66	69
7	Lusaka	287	74	40	83	90
6	Dar es Salaam	278	45	44	89	100
5	Douala	270	82	51	72	65
4	Antananarivo	228	90	32	45	61
3	Maputo	223	49	32	63	79
2	Kinshasa	206	44	36	46	80
1	Luanda	198	38	32	57	71



# Opportunity index

Overall Rank table result for comparison	Opportunity indicator	Score	15. Rate of real GDP growth	18. Ease of doing business**	19. Attracting FDI	23. City middle-class growth	29. Population growth
6	Dar es Salaam	71	20	9	8	15	19
7	Lusaka	70	16	16	11	10	17
14	Nairobi	68	9	12	20	13	14
14	Lagos	68	11	8	18	18	13
15	Accra	67	8	17	19	12	11
10	Abidjan	65	18	5	14	20	8
8	Kigali	61	13	20	9	4	15
12	Addis Ababa	60	17	14	6	17	6
11	Kampala	59	14	11	5	9	20
20	Cairo	53	2	13	16	19	3
2	Kinshasa	50	19	1	2	16	12
18	Johannesburg	47	3	19	18	6	1
5	Douala	46	15	4	3	14	10
17	Casablanca	45	5	15	16	7	2
3	Maputo	45	12	10	11	5	7
1	Luanda	43	10	2	4	11	16
19	Tunis	38	1	18	14	1	4
10	Dakar	35	7	3	8	8	9
4	Antananarivo	35	6	7	1	3	18
16	Algiers	31	4	6	14	2	5

# Infrastructure index

Rank	Infrastructure	Score	1. Cost of housing	2. Cost of business occupancy	3. Airport connectivity	4. Communications	5. Transport infrastructure	6. Road safety*	7. Water risk	8. Power
20	Cairo	137	18	8	19	17	17	19	20	19
19	Tunis	134	19	20	16	16	18	15	12	18
18	Addis Ababa	112	17	17	15	12	10	18	10	13
17	Johannesburg	107	7	10	20	19	16	2	13	20
16	Casablanca	104	8	7	18	13	20	17	5	16
15	Dakar	98	15	18	12	14	12	10	6	11
14	Kigali	97	13	19	5	15	14	13	17	1
13	Algiers	95	16	3	14	3	19	20	3	17
12	Antananarivo	90	20	15	3	18	8	16	7	3
11	Nairobi	82	10	16	17	9	4	8	9	9
11	Douala	82	11	14	6	1	7	14	14	15
9	Abidjan	80	9	9	9	2	9	11	19	12
8	Lagos	77	6	2	13	10	15	1	16	14
7	Lusaka	74	12	13	4	8	11	5	16	5
6	Accra	69	5	4	10	20	5	7	8	10
5	Kampala	68	14	11	8	7	3	3	18	4
4	Maputo	49	4	5	1	5	13	12	1	8
3	Dar es Salaam	45	2	12	7	6	6	6	4	2
2	Kinshasa	44	3	6	2	4	1	9	12	7
1	Luanda	38	1	1	11	11	2	4	2	6

# Human capital index

Rank	Human capital	Score	9. Health system performance*	10. Health Expenditure as % of GDP*	11. Physicians/Hospital bed density*	12. Literacy and Numeracy*	13. Graduates Enrolled*
20	Tunis	93	20	16	18	19	20
19	Johannesburg	81	8	19	17	20	17
18	Cairo	80	18	6	20	18	18
17	Algiers	77	17	9	16	16	19
16	Casablanca	72	19	12	15	10	16
15	Kigali	62	13	20	12	9	8
14	Kampala	59	7	18	5	17	12
13	Accra	56	11	8	8	14	15
12	Douala	51	6	7	11	13	14
11	Nairobi	46	10	4	13	15	4
10	Dar es Salaam	44	12	15	3	11	3
9	Lagos	43	5	11	10	4	13
8	Lusaka	40	4	14	14	7	1
7	Addis Ababa	39	15	2	19	1	2
6	Abidjan	38	9	17	4	2	6
5	Dakar	37	16	5	1	5	10
4	Kinshasa	36	2	10	7	6	11
3	Luanda	32	1	1	9	12	9
3	Antananarivo	32	14	3	2	8	5
3	Maputo	32	3	13	6	3	7

# Economics index

Rank	Economics	Score	14. GDP per Capita	15. Rate of real GDP growth	16. GINI coefficient*	17. Headquarters of the top 500 companies in Africa	18. Ease of doing business**	19. Attracting FDI	20. GDP diversity*	21. Financial services strength*
20	Casablanca	123	17	5	12	20	15	16	20	18
19	Tunis	119	18	1	18	15	18	14	16	19
18	Johannesburg	115	20	3	1	19	19	18	15	20
17	Cairo	114	14	2	20	16	13	16	18	15
16	Accra	109	11	8	10	12	17	19	19	13
16	Lagos	109	15	11	9	17	8	18	14	17
14	Nairobi	95	13	9	4	11	12	20	10	16
14	Abidjan	95	9	18	8	18	5	14	9	14
12	Dar es Salaam	89	4	20	16	7	9	8	12	13
11	Lusaka	83	12	16	2	7	16	11	8	11
10	Dakar	78	6	7	15	13	3	8	17	9
9	Algiers	77	16	4	17	15	6	14	3	2
8	Kampala	73	10	14	6	7	11	5	11	9
7	Douala	72	8	15	13	10	4	3	13	6
6	Addis Ababa	68	1	17	19	4	14	6	2	5
5	Kigali	66	5	13	3	2	20	9	4	10
4	Maputo	63	7	12	5	9	10	11	6	3
3	Luanda	57	19	10	11	9	2	4	1	1
2	Kinshasa	46	2	19	7	4	1	2	7	4
1	Antananarivo	45	3	6	14	2	7	1	5	7

# Society and demographics index

Rank	Society and demographics	Score	22. Middle class market access	23. City middle-class growth	24. Crime	25. Political environment*	26. International Clout	27. Diversity	28. City scale	29. Population growth
20	Kampala	108	11	9	9	12	14	18	15	20
19	Cairo	107	20	19	13	6	20	7	19	3
18	Dar es Salaam	100	3	15	8	17	11	15	12	19
17	Nairobi	98	12	13	6	13	19	10	11	14
17	Accra	98	8	12	20	18	16	4	9	11
15	Addis Ababa	93	1	17	10	2	18	19	20	6
14	Lagos	92	19	18	1	10	4	9	18	13
13	Lusaka	90	10	10	14	14	6	16	3	17
12	Algiers	87	17	2	18	7	12	13	13	5
11	Dakar	86	9	8	17	19	17	5	2	9
11	Abidjan	86	13	20	3	8	8	20	6	8
9	Kinshasa	80	2	16	11	1	9	12	17	12
8	Maputo	79	4	5	15	16	10	6	16	7
7	Johannesburg	74	15	6	2	20	15	1	14	1
6	Tunis	71	18	1	16	15	13	3	1	4
6	Luanda	71	14	11	4	3	7	11	5	16
4	Kigali	69	6	4	12	9	2	17	4	15
3	Casablanca	65	16	7	19	4	5	2	10	2
3	Douala	65	7	14	7	5	1	14	7	10
1	Antananarivo	61	5	3	5	11	3	8	8	18

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